Power and Bonds in Washington

CounterPunch

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WSJ's Bell Curve Promo Ploy:

Pseudoscience and the Lady from Pioneer

On December 13 the editorial page of *The Wall Street Journal* carried a 1,250-word article, signed by 52 academics, purporting to present, as the headline put it, "Mainstream Science on Intelligence." The *Journal*'s editors did not feel it necessary to disclose to their readers that the statement – clearly aimed to bolster the foundering cause of Charles Murray's new book, *The Bell Curve* – was organized by Linda Gottfredson of the University of Delaware's Department of Educational Studies, in collaboration with one of the *Journal*'s own top editors.

Gottfredson's theories about the inferiority of black intelligence have won her acclaim from the white supremacist National Alliance and the magazine of the National Association for the Advancement of White People, edited by David Duke, America's best-known Nazi.

For many years Gottfredson was the only woman receiving money from the Pioneer Fund, an organization set up in the late Thirties by Wickliffe Draper, a textile millionaire and Nazi sympathizer who desired to promote the "breeding of white persons who settled in the original thirteen colonies prior to the adoption of the Constitution." The Fund's first president was the eugenics fanatic Harry Laughlin, who spent much of the Twenties and Thirties lobbying to prevent Jews and other ethnic stock he deemed undesirable from entering the U.S. Laughlin described Nazi sterilization laws as "a most exciting experiment."

Pioneer's funding of Gottfredson – $267,000 in all – provoked uproar at the University of Delaware, which finally permitted her to keep the Fund's money, though ruling against acceptance of any further grants. Gottfredson is no ivory tower theorist of race and IQ. Her research was vital to Congress's decision in 1991 to curtail minority hiring for federal jobs, claiming that the grading of entry tests disadvantaged whites.

Gottfredson's coup at the *Journal* began with a letter she dispatched to academic colleagues on November 28. "I recently spoke with David Brooks, editorial features editor of *The Wall Street Journal*," she began, "to find out what he might consider a constructive contribution to the current debate over *The Bell Curve*. He suggested a statement from experts describing what is, in fact, 'mainstream' in the field of intelligence." She went on to explain that she had prepared an attached series of propositions about intelligence, and she invited supporting signatures.

The *Journal*'s editorial page has long been a platform for Charles Murray. The statement hatched by Brooks and Gottfredson was a counter-attack on *The Bell Curve*'s behalf, in the wake of disclosures (by us, by *The New York Review of Books* and finally by ABC Nightly News) that Murray and his co-author, Richard Herrnstein, had admiringly cited people widely regarded as cranks, writing for such repositories of racist balderdash as *Mankind Quarterly* (see our accompanying story on scholarships for minorities and the NCAA).

Unsurprisingly, Gottfredson's propositions amount to a ringing endorsement of *The Bell Curve*'s core theses. They use the same self-validating techniques whereby a definition of intelligence is offered that fits the matrix of an IQ test, which is then accepted as a valid

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■

Ah, the Past

"I suggest we abandon the absolutism of free trade. This was the doctrine established in our most glorious period of economic growth, when the coolies of Asia were restricted to pulling rickshaws. Those times have passed: the coolies now sit at computer screens."

– Claude Inbert, French newspaper editor, 1993

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measurement of intelligence, with all the measuring being regarded as an important and useful scientific pursuit.

Leon Kamin, professor of psychology at Northeastern University in Boston, has written eloquently about the spurious links between genes, class and IQ. He points out that "a test on which the children of ditch diggers did as well as the children of professors would be laughed out of court by the test makers; it couldn't be measuring intelligence, because the test makers 'know' in advance that the poor are not as 'intelligent' as the rich." According to Kamin, the Stanford-Binet revision of 1937 showed girls to have much higher IQ's than boys, an irritating problem that the test makers — who "knew" in advance that intelligence between the sexes must be equal — handled by fiddling with the test's question selection.

Kamin gave us this assessment of Gottfredson's propositions and the article's signers: "The statement contains some truths, some half truths and some falsehoods. But its point obviously is to reinforce the message of *The Bell Curve:* that the poor have only their own stupidity to blame for their plight. The signatories are not representative of psychology as a science. They are a tight little fraternity of IQ testers. I use the word 'fraternity' advisedly. I note only three or four women among the fifty-odd signers. I would advise those who join political statements with the likes of Rushton and Lynn, If you lie down with dogs, you get up with fleas."

CounterPunch readers may recall from our special November 1 issue on *The Bell Curve* that the men mentioned by Kamin at the end of his remarks are, like Gottfredson, recipients of money from the Pioneer Fund. J. Philippe Rushton, Professor Butthead of the IQ coven, is the insensate calibrator of cranial/penile and IQ proportions. Richard Lynn is an honorary associate editor of *Mankind Quarterly*.

The *Journal*'s editors did not disclose that the statement's organizer was Linda Gottfredson, whose work has won acclaim from David Duke and other white supremacists

Of other Pioneer recipients who signed the *Journal* statement, one is Gottfredson's former husband, Robert Gordon of Johns Hopkins, a big espouser of gene/crime linkages. Another is Arthur Jensen of the University of California at Berkeley, who has proclaimed the irreversible genetic deficiencies of blacks. Also among the signatories is the prophet of "Superbreeding" and founder of "Beyondism," Raymond Cattell, an important figure in the NCAA story, again underlining the rapidity with which race-based theories of IQ can be transmitted from the ivory tower into malign social and educational policies.

In his largely enthusiastic review of *The Bell Curve,* published in the *Journal* on October 20, David Brooks noted that in its discussion of race and IQ Murray's book "treads on topics that have been associated with the most disgusting people in history." A few weeks later he was conniving at a disingenuous public relations maneuver by a group that includes figures who promote bogus science associated with precisely these same disgusting people.

Brooks in his review invoked the "mainstream" in which Herrnstein and Murray are supposedly located. The "mainstream" here is sewage, much of it processed courtesy of the Pioneer Fund's millions. ■

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We want to thank our subscribers, whose generous support makes all our reporting possible.

See you in 1995.

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At the NEC, Rubin demonstrated the same keen interest in the well-being of the working class. He was a chief promoter of NAFTA, pushed for an extension of Most Favored Nation status for China – a country where Goldman Sachs is heavily involved – worked to water down the administration's health care reform bill, and was one of the strongest voices arguing, successfully, that Clinton should drastically decrease proposed public investment spending in order to reduce the budget deficit. Rubin also urged Clinton to tone down his occasional populist rhetoric, saying that such wild talk "adversely affected the confidence of people who make economic decisions."

One of Rubin's key aides at the NEC was W. Bowman Cutter, a raging free-marketeer (with Rubin's departure, he is rumored to be close to resigning). Like Commerce Secretary Ron Brown, Cutter has urged trade with even the most vile human rights abusing nations, most notably Indonesia, justifying this position with the always reliable argument that "growth means people are better off, and that in turn means they begin independently seeking democratic rights."

Cutter's chief accomplishment at the NEC was to scuttle an agreement reached between environmentalists and business groups to reauthorize the Superfund program. After a deal was closed he pushed corporations back to the bargaining table, urging them to take a tougher approach.

Shortly after Clinton selected him to head the NEC, Rubin sent a letter, written on Goldman Sachs stationery, to hundreds of former business clients, saying he "looked forward to continuing to work with you in my new capacity." One recipient of the letter was natural gas giant Enron, listed on Rubin's 1993 financial disclosure statement as one of 44 firms with which he had "significant contact" while at Goldman Sachs (many of the others were U.S. companies with substantial business in Mexico, and Mexican firms or state agencies, possibly explaining Rubin's frenzied support of NAFTA).

One would not have expected Enron to be a favorite with the Clinton administration. The firm had strong ties to the Republican Party, and company CEO, Kenneth Lay, is a close friend of George Bush. Enron advisors include former Secretary of State James Baker and former Secretary of Commerce Robert Mosbacher. On the company's board sits Wendy Gramm, wife of the Texas senator.

Perhaps it is mere coincidence, simply the normal workings of the bourgeoisie's executive committee, but Enron has done remarkably well during the two years since Rubin entered government service. Central to its success has been immense support from the Export-Import Bank (Ex-Im) and the Overseas Private Investment Corporation (OPIC). The former is headed by Kenneth Brody, a close friend of Rubin who formerly worked at Goldman Sachs; OPIC is led by Ruth Harkin, wife of Sen. Tom Harkin of Iowa and previously employed at Strauss's law firm, Akin, Gump.

In early 1989 some sixty long-time Goldman Sachs employees were ushered into the manager's office and told that their services would no longer be needed.

In Mack McLarty, Enron had another important friend in the administration. When McLarty took his job as Clinton's first chief of staff he hired Enron's chief of interstate pipelines, Dan Diensthier, to replace him as head of Arkla, the Arkansas-based natural gas company. McClarty also was well acquainted with CEO Lay, who McLarty turned to for help in mobilizing a powerful corporate lobby when NAFTA appeared to be in deep trouble in Congress in mid-1993.

Consider the following chronology of events in the recent history of Enron and its eager helpers in the Clinton administration:

- **February 1993:** Enron and 10 other major power developers form the International Energy Development Council, which lobbies for increased government support in promoting U.S. business abroad. Many of the Council's proposals are implemented by the administration. These include a lifting of the ban on Ex-Im financing of projects in China and new rules that allow the Bank to finance projects on the basis of expected cash flow, rather than on government guarantees.
- **March 1993:** Ron Brown travels to Russia with executives from 28 major companies in tow. Enron, one of more than 300 firms that applied for a seat on the trip, is selected to join the Commerce Secretary. During the visit Enron negotiates a major deal to develop new European markets for Russian gas.
- **November 1993:** Enron closes a $1 billion deal with Turkey to develop two gas-fired power stations on the Sea of Marmara. Ex-Im will provide $285 million in financing; OPIC is covering project insurance.
- **May 1994:** Enron, seeking a contract to construct several power plants in Indonesia, is assisted by State Department officials, who lobby Suharto's regime on the company's behalf.
- **August 1994:** Enron finalizes $2.5 billion dollar deal to build a power plant in India. Ex-Im is to provide financing for the first phase of construction; OPIC backing is expected to reach $100 million.
- **August 1994:** Enron arranges financing for its $320 million Mahanagdong Project in the Philippines, which includes two power plants on the island of Leyte. Ex-Im and OPIC will provide $240 million in loans.
- **September 1994:** Energy Secretary Hazel O'Leary travels to Pakistan along with 50 executives, including a representative from Enron. Fifteen deals are signed during the visit, with Enron among the winners.
- **November 1994:** Enron is awarded a contract to build a $130 million power plant in Hainan province, China. Ex-Im financing is to be negotiated in 1995.

It's one of the characteristics of the Clinton era that possible conflicts of interest that would have been occasions for commotion and rebuke a few years ago are now taken for granted. Rubin's career in government attests to the truth of this observation. A bond-house czar partakes in deals that net his former associates and Goldman Sachs millions. Barely an eyebrow is raised amid the eulogies to his caring nature. ■

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Life is Cheap

Bean Counters and Big Game Hunters

In early 1992 Lawrence Summers – then the World Bank's vice president and chief economist and today comfortably ensconced at the Treasury Department as assistant secretary for international affairs – argued in a confidential memo that the "economic logic" of dumping toxic waste in Third World countries was "impeccable," and that "underpopulated countries in Africa are vastly under-polluted." After the memo was leaked to the press, Summers claimed it was all a joke and that the whole thing had been taken out of context.

Daphne Wysham, a research fellow at the Institute for Policy Studies, has uncovered a similar type of economic "logic" in a report an economist, Samuel Fankhauser, has prepared for the UN, *Global Warming Damage Costs: Some Monetary Estimates*. Fankhauser, one of five economists charged with calculating the "social costs" of climate change, has come up with a dollar figure for everything from the value of lost wetlands to a species gone extinct to the worth of "one statistical human life." This type of calculation is necessary so that Fankhauser can tote up the overall damage linked to global warming – in the case of human life, increased heat-related deaths, greater frequency of cardiovascular, cerebrovascular and respiratory diseases – in order to determine how much money should sensibly be spent to prevent such consequences.

After admitting his task to be a difficult one, Fankhauser settles on a 10 to 1 ratio across the North-South divide. That is, the value of a U.S. citizen's life is estimated at $1.5 million, while the value of, for example, a Bolivian or a Ghanaian, is $150,000. Russians and others judged to be in an intermediate "middle-income" category are worth $300,000, the economist says. Fankhauser arrives at these figures by estimating the "net present value of lost future output," which in the South will be far less, in dollar terms, due to smaller and less efficient economies.

Though as bogus as the computer models that predict world climate change, Fankhauser's calculations will surely be pleasing to polluting industries in northern countries, which produce about 70 percent of greenhouse gases. For if life is cheap in the South, which economists say will bear the brunt of the damage caused by global warming, it makes more sense, on the Summers-type cost-accounting, to delay or take no action – such as curbing fossil fuel emissions – than it does to suffer the possible repercussions. According to Wysham, American power companies plan to increase plant capacity by 20 percent over the next 20 years, with 85 percent of new energy to be generated by fossil fuels.

Fankhauser's thesis, and the conclusions of four other economists – including conservatives such as William Cline and William Nordhaus, a Yale professor and former member of Jimmy Carter's Council of Economic Advisors – will be considered at a January meeting of the U.N.'s Intergovernmental Panel on Climate Change. If endorsed, such views could be used to derail implementation of the Climate Convention reached at the 1992 Earth Summit in Rio.

Supporting NAFTA, and the Clinton administration in general, has proved to be highly rewarding to the decorous environmentalists at the World Wildlife Fund. In October, President Bill named WWF president, Kathryn Fuller, to a blue-ribbon 13-member trade advisory group. She will be joined by the CEOs from AT&T, Chrysler, Harris Chemical Group, Coca-Cola and Eastman Kodak. The latter's top executive, Kay Whitmore, led the corporate charge for NAFTA and gave WWF $2 million, the biggest single corporate contribution in the Federation's history.

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It appears, though, that Italy's WWF is even more flexible than the Federation's American section when it comes to defending the animal kingdom. In 1993 the Italian news magazine, *L'Europeo*, detailed the debauchery of Riccardo Garrone, a billionaire oilman and leading WWF official in Italy. Garrone is an avid hunter – and "may be at least slightly daft," writes an Italian informant, Carlo Marini, basing this judgment on *L'Europeo*'s claim that the oilman once pursued a hapless African deer for 23 days.

Marini further writes: "Garrone uses the WWF aegis as a cover for his hunting frenzy .... He has set up wildlife 'preserves' which ostensibly offer refuge to deer, boars, pheasants and other fauna, but which he actually uses as a private hunting preserve for himself and his friends. Far from protecting wildlife, Garrone uses the WWF as a screen to provide cover for the orgies of slaughter in which he and his friends periodically indulge." ■

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